



# Department of Veterans Affairs

## **Financial Policy**

### **Volume I**

#### **General Accounting**

### **Chapter 1B**

#### **Quality Financial Information**

Approved:

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## **0101 Overview**

This chapter establishes the Department of Veterans Affairs' (VA) financial policies on the quality of financial information.

Key Points Covered in this chapter:

- VA will follow the core principles of transparency, participation, and collaboration as directed in the President's Memorandum of January 21, 2009, titled Transparency and Open Government. Adhering to such principles is fundamental to VA achieving its mission and vision.
- VA must be accountable to the Veteran and taxpayer while improving its infrastructure to promote openness and ensure quality financial information.
- VA will ensure compliance with OMB-issued guidance while continuous progress is made to improve the timeliness, completeness, and accuracy of financial information.

## **0102 Revisions**

<b>Section</b>	<b>Revision</b>	<b>Office</b>	<b>Reason for Change</b>	<b>Effective Date</b>
Various	Completed a full review and updated to new formatting style.	OFP (047G)	Full review	April 2022
Various	Updated office names throughout.	OFP (047G)	Full review	April 2022
Various	Updated authorities and links throughout.	OFP (047G)	Full review	April 2022
Appendix	Incorporated the Appendix into Policy	OFP (047G)	Full review	April 2022
Various	Changed the title of Data Quality Service to Strategic Management Analytics Reporting Team.	FBO (047E)	Organizational Name Change	February 2018
0104 Roles and Responsibilities, Appendix B	Changed the title of the Office of Business Oversight to the Office of Internal Controls.	OFP (047G)	Organizational Name Change	February 2018
0109 Revisions	Insert Revision Table	OFP (047G)	Revision table needed for reference.	February 2018

### 0103 Definitions

**Data** – Information, especially facts or numbers, collected to be examined and considered and used to help decision-making, or information in an electronic form that can be stored and used by a computer.

**Data Accuracy** – Is a quantitative metric that represents the degree to which information correctly reflects the real-world event being described.

**Data Completeness** – Is a quantitative metric that includes the extent to which the expected attributes of data are provided in their entirety.

**Data Consistency** – Is a qualitative characteristic where information is used similarly unless there is a good reason to change the valuation method or basis of accounting. If there are changes, the nature and reason will be disclosed.

**Data Reliability** – Is a qualitative characteristic that is verifiable, unbiased, and represents comprehensive information that is not misleading. This does not imply accuracy and includes narratives about the degree of estimation and underlying uncertainties.

**Objectivity** – Is a measure of whether disseminated information is accurate, reliable, and unbiased and whether that information is presented in an accurate, clear, complete, and unbiased manner.

**Quality** – Is a measure of the condition of data based on factors such as accuracy, completeness, consistency, reliability, and whether it is up to date.

**Quantitative** – Is a metric that includes numbers, may be measured, and is subject to "yes" and "no" decisions.

**Utility** – Refers to the usefulness of the information for the intended audience's anticipated purposes.

### 0104 Roles and Responsibilities

**Under Secretaries, Assistant Secretaries, Other Key Officials, Chief Financial Officers, and Fiscal Officers** are responsible for ensuring compliance with the policies and procedures outlined in this chapter.

**Senior Accountable Official (SAO)** assumes responsibility for coordinating and collaborating VA's efforts pursuant to the development and implementation of a data quality framework for VA federal spending information. The SAO will leverage the CFOC as the primary governing body within its data quality framework. Currently, the VA CFO has been designated by the VA Secretary to serve as the SAO. The VA CFO has further designated this SAO responsibility to ADAS, Financial Management Business Transformation Service (FMBT).

**Chief Financial Officer Council (CFOC)** serves as an advisory committee to the VA CFO by recommending changes to programming, budgeting, manpower management, capital asset management, internal controls, fraud, waste, and abuse (FWA), improper payments, financial operations, and financial policy. The CFOC is chaired by the VA CFO and consists of a representative from VA Administration and Staff Offices at the CFO leadership level.

**Office of Business Oversight (OBO)** is responsible for managing the implementation and execution of the Department's OMB Circular A-123, Appendix A, internal control over reporting assessment activities across VA. OBO maintains an internal control monitoring program consistent with the requirements of OMB Circular A-123, Appendix A. This includes performing or monitoring OMB Circular A-123, Appendix A reviews, and advising the CFOC of significant issues identified during Appendix A reviews.

**Office of Acquisition, Logistics and Construction (OALC)** is responsible for reporting on acquisition, contract, and spending related data.

**Financial Management Business Transformation Service (FMBTS), Strategic Management Analytics Reporting Team (SMART)** is responsible for:

- Reviewing and interpreting new and existing OMB guidance on DATA Act data quality for VA federal spending;
- Serving as the central operational authority for DATA Act data quality reporting per OMB guidelines;
- Collecting, analyzing, disseminating, and reporting financial data on federal expenditures, contracts, grants, loans, and other assistance to the DATA Act and USAspending.gov;
- Performing a final quality review of the timeliness, completeness, and accuracy before reporting financial spending data to USAspending.gov; and
- Certifying the timeliness, completeness, and accuracy of VA financial spending data monthly via Treasury's Data Broker on behalf of the reporting program offices.

## **0105 Policies**

### **010501 Data Quality**

- A. VA will ensure and maximize the quality, objectivity, utility, and integrity of its information (including statistics).
- B. The key governing principles for providing quality data are:
  - **Presentation and Disclosure:** Present information in a logical and coherent format; place the information in a proper context and cross-reference the information to the same data in other datasets.
  - **Existence and Occurrence:** Report information from activities or events, make supporting information available, and ensure the supporting documentation

- complies with Government-wide guidance.
  - Rights and Obligations: Own and be responsible for the information and ensure adequate internal controls.
  - Completeness: Present all required information and implement a process to ensure data completeness.
  - Valuation: Assign the correct value to information and verify the information for reliability and consistency within and outside of VA.
- C. Data will be presented in a manner that allows for the:
- Calculation of mission related costs;
  - Evaluation of performance;
  - Display of financial condition and results of operations;
  - Department to conduct financial planning;
  - Safeguarding of public funds and other resources; and
  - Determination of compliance with applicable laws.
- D. VA Administration and Staff Office CFOs will ensure internal controls are in place to mitigate risks of misstating, misrepresenting, or losing information. Basic control activities may include proper segregation of duties, physical controls and security protocols over assets and system access, controls over data center operations and the management of the systems and information, and appropriate documentation. Refer to VA Office of Financial Policy (OFP) Vol. II Chapter 5, Management Accountability and Responsibility for Internal Controls.
- E. VA Administration and Staff Office CFOs will ensure appropriate financial policies and procedures are developed, documented, and implemented for all financial processes identified by new or changing requirements to improve the quality of Government financial information. Financial and accounting data have a direct effect on financial information quality since it is through the accounting functions of classifying, recording, controlling, reporting, and analyzing that reliable financial information is developed.

## **010502 OMB USA Spending Requirements**

- A. VA CFO, Administration CFOs, or Other Key Officials may designate a Program Office (PO). The PO may be an existing business line or may be created in response to a specific law or legislation. For example, POs by business lines may be Grants, Education, Pharmaceuticals, and Insurance. An example relating to a specific law is the PO for the American Recovery and Reinvestment Act of 2009.
- B. VA is responsible for providing all spending data to USASpending.gov at regular intervals (e.g., weekly, bi-weekly, monthly) with sub-award information commencing on September 30, 2010.
- C. VA is required to aggregate outlays to Veterans and their beneficiaries per USASpending.gov guidelines. This will avoid reporting information that uniquely identifies anyone receiving VA benefits and violates privacy laws and regulations.

- D. VA is responsible for ensuring the key data reported on USAspending.gov will not disclose any individual's personally identifiable information.
- E. VA Program Offices (POs) are responsible for monitoring the qualitative and quantitative data characteristics of understandability, reliability, relevance, timeliness, consistency, and comparability with other spending reporting websites to reconcile data and correct rejection processes. In addition, POs are responsible for:
- Submitting the required information to the POR, who will conduct a quality review before passing on the information to SMART;
  - Ensuring all corrections for the prior month are reviewed and submitted by the 20th of each month, per USAspending.gov agency file processing guidelines;
  - The process of correcting transactions;
  - Understanding the data quality, reporting requirements, the data to report, and how data quality will be monitored;
  - Adopting a basic standard of quality at all program levels;
  - Performing data quality processes and key control activities as part of their normal daily operations;
  - Executing initial quality reviews of program data before regular submission requirements (e.g., weekly, bi-weekly, monthly);
  - Documenting data quality processes and maintaining all associated documentation;
  - Monitoring and reporting compliance with SMART' data quality requirements and reporting progress;
  - Working with OI&T to develop and implement efficient and effective data quality processes, policies, and procedures;
  - Providing operational support and involvement in reviews of internal control data quality;
  - Assuring remediation efforts are completed as required;
  - Remediating deficiencies as appropriate; and
  - Identifying the Program Office Representative.
- F. The Program Office Representative (POR) is identified when the PO is defined, and an individual is made responsible for:
- Serving as the key point of contact for SMART and facilitating access to the program office's facilities, systems, documentation, and necessary personnel to document, evaluate, and test internal controls;
  - Managing the respective program office's processes and outputs by reviewing each output against VA standards before the required (e.g., weekly, bi-weekly, monthly) submission to SMART;
  - Submitting the program office's outputs to SMART promptly;
  - Assisting the program area in identifying key control data and data quality processes;
  - Managing remediation efforts and providing regular status reports to OBO on remediation activity and corrective action plans; and
  - Participating as advisors to the CFO, when requested by the VA CFO.

- G. The Office of Acquisition, Logistics, and Construction (OALC) is responsible for:
- Submitting automated contract information and populating spending data (e.g., eCMS, IFCAP, direct entry) in the General Services Administration's Federal Procurement Data System (FPDS) Web site that provides daily feeds into USAspending.gov; and
  - Documenting procedures to capture and report sub-award information.

### **010503 Reporting Requirements**

- A. VA will submit timely and quality information in the monthly, quarterly, and Consolidated Financial Statements and in response to requests from OMB and other Federal entities.
- B. Quantitative metrics for the data including timeliness, completeness, and accuracy will be reported by OMB.
- C. The FMBT, SMART office will submit VA's information, related to USA Spending and the Data Act, via Treasury's Data Broker in accordance with the Digital Accountability and Transparency Act (DATA) Act of 2014 (P.L. 113-101).

### **0106 Authority and References**

[38 U.S.C. Chapter 5, Authority and Duties of the Secretary, January 5, 2009](#)

[Digital Accountability and Transparency Act \(DATA\) of 2014](#)

[Federal Accounting Standards Advisory Board Statement of Federal Financial Concepts Number 1; Objectives of Federal Financial Reporting, Chapter 6: Qualitative Characteristics of Information in Financial Reports](#)

[Federal Funding Accountability and Transparency Act of 2006](#)

[Federal Financial Management Improvement Act of 1996 \(FFMIA\)](#)

[GAO Standards for Internal Control in the Federal Government; Principle 13 - Use Quality Information](#)

[Information Quality Act, Public Law 106–554; H.R. 5658, Section 515\(a\) of the U.S. Treasury and General Government Appropriations Act for FY 2001](#)

[OMB Memorandum M-09-19, Guidance on Data Submission under the Federal Funding Accountability and Transparency Act \(FFATA\), June 1, 2009](#)

[OMB Memorandum for Senior Accountable Officials over the Quality of Federal Spending Information, Open Government Directive – Framework for the Quality of](#)



[Federal Spending Information, February 8, 2010](#)

[OMB Memorandum for Senior Accountable Officials over the Quality of Federal Spending Information, Open Government Directive – Federal Spending Transparency, April 6, 2010](#)

[OMB Memorandum M-20-21, Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 \(COVID-19\)](#)

[OMB Memorandum M-21-03, Improvements in Federal Spending Transparency for Financial Assistance](#)

[OMB Memorandum M-21-20, Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources](#)

[OMB Memorandum M-22-02, New Financial Assistance Transparency Reporting Requirements](#)

[OMB Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control \(revised July 15, 2016\); Appendix A, Management of Reporting and Data Integrity Risk, \(revised June 6, 2018\)](#)

[President's Memorandum \(FR Doc. E9–1777\) for the Heads of Executive Departments and Agencies on Transparency and an Open Government, January 21, 2009](#)

[VA Office of Financial Policy Publication Web site](#)

[VA Open Government Plan, June 2010](#)

## **0107 Rescissions**

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## **0108 Questions**

Questions concerning these financial policies should be directed as follows:

VHA	VHA Accounting Policy (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)